

# Law Enforcement Officers' And Fire Fighters' Plan 2 Retirement Board

Strategic Plan Revision  
June 21, 2006

# Strategic Planning Model

## Guiding Principles

### *Who We Are*

- Mission
- Organizational Values

## Priority Goals

### *What We Want to Accomplish*

- Major tasks to be accomplished during the 3 – 5 years

## Primary Strategies

### *How We Will Achieve the Goals*

- Objectives
- Key Tactics
- Action Plans

## Performance Measures

### *How We Measure Success*

- Measurements of performance success

## Actions

### *What We Will Do*

- Specific Actions to take during the next 12 – 18 months

# Guiding Principles

## *Who We Are*

- **Mission**

- The mission of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board is to responsibly govern the pension plan for the benefit of the members.

- **Organizational Values**

- We will treat those we serve and each other with respect, fairness, and honesty.
- We will communicate openly and professionally.
- We will foster a climate of innovation, integrity, accountability, and excellence.
- We will work with those we serve to meet their needs.

# Priority Goals 2004 – 2009

## *What We Want to Accomplish*

- Enhance the benefits for the members.
- Provide the stakeholders with a voice in plan governance.
- Maintain the financial integrity of the plan.
- Stabilize contribution rates.

# Primary Strategies

## *What We Will Do To Achieve Our Goals*

- Goal One : Enhance the benefits for the members.
  - Objectives
    - Add benefits that are affordable for stakeholders
    - Increase benefits for workers injured in the line of duty
  - Key Tactics
    - Propose legislation that improves the plan for the stakeholders
    - Compare plans from other states and relevant organizations
    - Identify potential revenue sources for benefit enhancements
    - Obtain stakeholder input for needed changes in the plan
    - Research and monitor Federal pension and tax laws

# Primary Strategies

## *What We Will Do To Achieve Our Goals*

- Goal Two: Provide the stakeholders with a voice in plan governance.
  - Objectives
    - Develop communication media for the stakeholders
    - Maintain stakeholder confidence in the integrity of the plan
  - Key Tactics
    - Provide opportunities for member communication/feedback
    - Make presentations to stakeholder groups
    - Solicit information about stakeholder priorities and issues
    - Make presentations at public hearings
    - Develop a wide range of communication media such as Web site, newsletter and e-mail
    - Inform stakeholders about opportunities for communication/feedback

# Primary Strategies

## *What We Will Do To Achieve Our Goals*

- Goal Three: Maintain the financial integrity of the plan.
  - Objectives
    - Establish prudent financial policies
    - Identify additional funding mechanisms
  - Key Tactics
    - Adopt adequate contribution rates
    - Adopt financially sustainable budget for board operations
    - Adopt economic assumptions, actuarial tables and cost methodologies
    - Commission independent audits
    - Research other options for revenue

# Primary Strategies

## *What We Will Do To Achieve Our Goals*

- Goal Four: Stabilize contribution rates.
  - Objectives
    - Reduce rate volatility
    - Increase the reliability and duration of rate projections
  - Key Tactics
    - Consult with strategic partners to develop tools to increase rate stability
    - Identify best practices from other states and organizations
    - Examine opportunities to re-structure the plan to stabilize contributions rates



# Performance Measures

## *How We Will Measure Our Success*

Goal	Method of Measurement	Target	✓
1	Increased benefits for employees disabled in the line of duty	70% of salary prior to disability	
1	Board proposals that are approved by the Legislature	100% approval rate	
1 & 2	Research supporting proposals	Every proposal includes a research component	
2	Comprehensive communication program with targets and schedule	Plan presented by December 31, 2004	
2	Feedback from the membership	Establish process for gathering input by December 31, 2004  Perform baseline surveying by March 31, 2005	
2 & 3	Independent audits: <ul style="list-style-type: none"> <li>• Board member expenses</li> <li>• Actuary's assumptions</li> </ul>	<ul style="list-style-type: none"> <li>• Board expenses—no findings</li> <li>• Actuary's assumptions—performed on timely basis</li> </ul>	
3	Deviation from the expected long term cost of the plan	<ul style="list-style-type: none"> <li>• Decrease deviation over next two biennium</li> <li>• Maintain deviation within 10% of long term cost</li> </ul>	
3	Current and appropriate funding policies	Review, revise and adopt funding policies for LEOFF Plan 2 by December 31, 2005	
3	Funded ratio under actuarial standards	At least 100%	
4	Actual performance vs. projections in key planning areas	Actual expenditures will not exceed projected expenditures	

# Progress Report

## *July 2004 – June 2006*

Action	Goal(s)
Duty Disability Benefits – HB 2418 (2004)	
Survivor Benefits – HB 2419 (2004)	
Actuarial Funding – SB 6249 (2004)	
Duty Disability Benefits –SSB 5615 (2005)	
Purchase of Service Credit – HB 1269 (2005)	
Career Change – HB 1270 (2005)	
Military Service – HB 1325 (2005)	
Contribution Rate Stability Plan (2005)	
Catastrophic Disabilities – HB 2932 (2006)	
Survivor Health Insurance – SB 6723 (2006)	
\$150,000 Death Benefit – SHB 2933 (2006)	

# Revisions

June 21, 2006

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